

Eagle-Picher Industries, Inc  
Annual Report  
1969

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SUPERFUND RECORDS

009257

## PLANT LOCATIONS

California Hayward Inglewood  
Los Angeles San Francisco

Connecticut Stratford

Colorado Colorado Springs

Illinois Cicero Galena Hillsboro  
Paris

Indiana Grabill

Kansas Galena

Kentucky Salem

Michigan Albion Dundee Inkster  
River Rouge

Missouri Joplin Seneca

Nevada Clark Colado

New Mexico Socorro

Ohio Akron Barberton Cleveland  
Dayton Delta Greenwich Mansfield  
Sharonville Sidney Urbana Willoughby

Oklahoma Cardin Miami Olustee  
Quapaw

Pennsylvania Conneautville  
Philadelphia

Washington Kent

Wisconsin Linden Shullsburg

Alberta Edmonton

British Columbia Vancouver

Ontario Ingersoll Stouffville

United Kingdom Birmingham

West Germany Cham Hamburg

# Eagle-Picher Industries, Inc

## Annual Report 1969

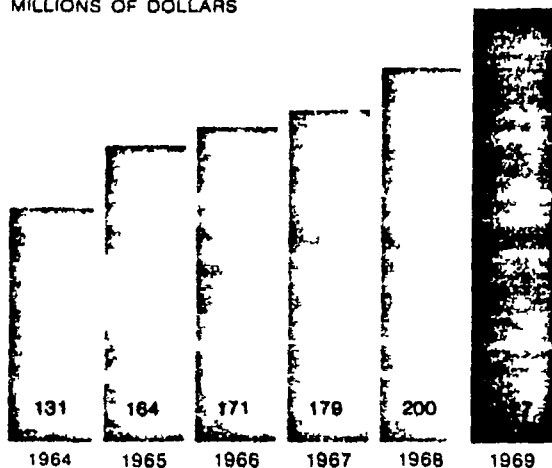
During fiscal 1969 sales net income and net income per share again were at record high levels. This was the eighth consecutive year of growth in each of these operating results.

Fiscal year ended November 30

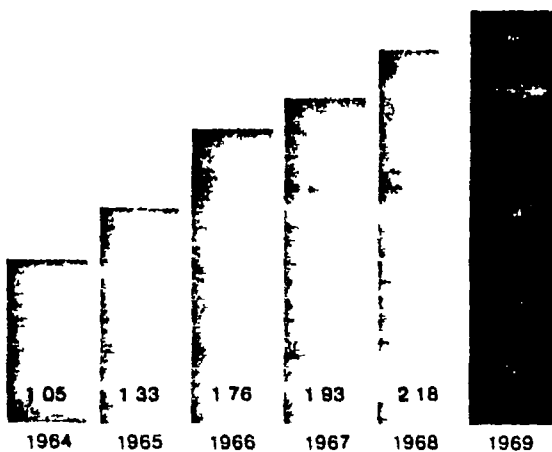
	1969	1968
Net Sales	\$226 944 823	\$200 220 147
Net Income before taxes	21 077 262	17 842 964
Net Income	10 977 262	10 042 964
Net Income per share	2 37	2 18

### Net Sales

MILLIONS OF DOLLARS



### Net Income Per Share



## To Our Shareholders

In the following pages of this Annual Report you will find information on Eagle Picher's financial results, our products and the markets we serve. However, in order to fully understand Eagle Picher, it is helpful to know management's thinking and the basic concepts which unify our diversified manufacturing operations.

Eagle Picher's management philosophy is based on several policies which describe the nature of the Company and are largely responsible for its long term growth.

1. Our operations are based on *manufacturing*. Each Division is engaged in the development, engineering, production and sale of a tangible product. In some cases these activities are also supported by mining operations.

2. The products we manufacture are sold principally in *industrial markets* and rarely to the ultimate consumer. Generally these industrial customers are other manufacturers who produce consumer and industrial goods, both durable and non durable. We are also a supplier to the construction industry and to Federal, State and local governments.

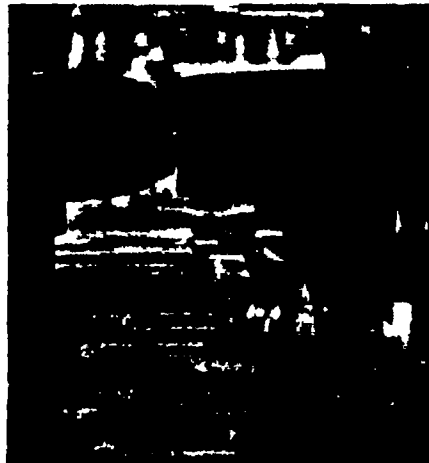
Although our products are used in a variety of industrial markets, each requires essentially the same management talents—an emphasis on product development, manufacturing and sales service.

3. To an increasing extent our products are *technical specialties* and not commodities or catalog items. EPI's operations generally are characterized by a high degree of scientific and engineering input resulting in specialized products with a substantial addition of value. Therefore, we should be able to realize better profit margins than could be obtained with more standard products.

4. Even though Eagle-Picher serves many different industries, due to the specialized nature of our product lines, we are generally considered to be *one of the leading producers* either in the markets we serve or the areas in which we operate. A position of leadership provides certain advantages—particularly ample sales revenues to support expenditures for research, product development and sales coverage. Moreover, opportunities for new product applications are more likely to come to our attention as a leading producer with recognized problem solving capabilities than to those companies who compete mainly on a price basis.

5. Operating efficiency is improved by a *decentralized type of organization*. Each of the Company's fifteen operating Divisions is fully staffed and possesses the management capability to function autonomously. As a result, management decisions are generally timely and close to the facts. Furthermore, this form of organization establishes a reservoir of management experience which assists in attracting and developing qualified personnel for promotion to higher level positions.

6. For a company as diverse as Eagle Picher, it is possible to *balance cash flows* among various operations, and thereby allocate resources in a very efficient manner to improve profitability and growth. All of our operating Divisions are profitable and all have potential for significant progress. However, at any point in time these operations are in different stages of growth, and those growing more rapidly generally require additional cash investment which is provided by the net cash outflows of those which are in a more static phase. At other times, these relationships and cash flows may be reversed. Efficiency in the use of cash resources is one of



the most significant features of most multi industry companies. However the unusual nature of Eagle Picher is the combination of this financial concept with an effective system of management control derived from limiting the Company's activities to those which are compatible with our overall set of management talents. Eagle Picher's system of management control allows line managers at the corporate level all of whom have had Divisional experience to relate well to Divisional affairs. Also the transfer of experienced and promising personnel throughout the entire Company and across Divisional lines has been successfully accomplished as needed.

Efficiency in the use of cash and a compatible management system within a diversified framework—these are two of the fundamental elements which make Eagle Picher Industries truly one Company.

7. In addition to internal growth we occasionally are offered opportunities to *acquire companies* which are compatible with our management philosophy and which provide additional contributions to our earnings per share. We do not actively seek out acquisition prospects but do consider and screen those brought to our attention. Any merger is accomplished through mutually desired negotiations for the benefit of selling shareholders as well as our own and only with the enthusiastic support of the management of the acquired company.

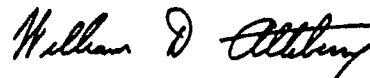
This process of growth internally and by acquisition has been going on for 20 years. Throughout this period we have maintained a strong and conservative financial condition and with very little increase in the number of common shares outstanding. Virtually the entire

progress in earnings has accrued to the benefit of common shareholders.

This then is Eagle-Picher—a conservatively managed diversified manufacturer of technical products for industrial markets. The concept is somewhat unique. We believe it is the right one for us because it fits the talents of our organization and because it has worked well for us over a long period of time.

One major management change occurred during 1969. Robert R. Axelson was promoted to Group Vice President with responsibility for several of the Corporation's operating Divisions. He had been President of Fabricon Products Division and prior to that was Manager of the Compounds and Metals Department of the Electronics Division.

As we enter 1970 in our opinion Eagle Picher Industries has never been in a stronger position. The economic climate may be the most difficult we have had in recent years but regardless of the climate we believe that EPI will show a relatively good performance as compared with other industrial companies. Realizing that any forecast a year in advance is hazardous (and particularly so in 1970) nevertheless at the present time we are anticipating another increase in our earnings per share.



WILLIAM D. ATTEBERRY  
President

Cincinnati, Ohio  
January 21, 1970



# Summary of Financial Results

## Sales and Income

Net sales, net income before and after taxes and net income per share all attained new highs in fiscal 1969. The increases over the preceding year were provided by internal growth and the contributions of the two acquisitions made at the end of 1968.

Net sales for 1969 were \$226,944,823, a gain of \$26.7 million over the previous year's record. Net income before taxes of \$21,077,262 showed an increase of more than \$3 million as a result of sales growth and an improvement in profit margins. The Corporation's pre-tax profit margin was 9.3% in 1969 compared with 8.9% in 1968. We expect further gains in profitability in future years as we continue our program of improving low margin sales as well as expanding and adding to more profitable product lines.

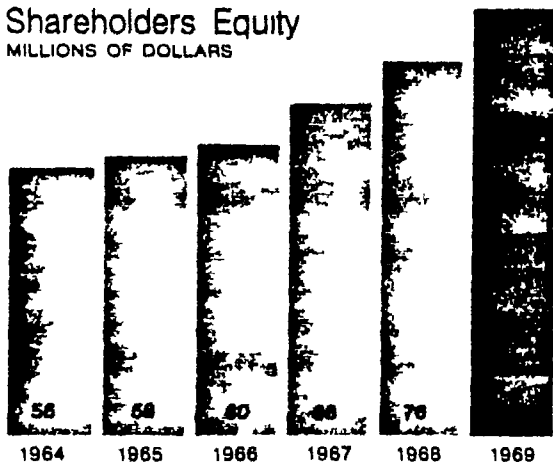
After-tax income was \$10,977,262 in 1969, a gain of almost \$1 million in spite of an increase in our effective income tax rate from 43.7% to 47.9%. This higher tax rate is a result primarily of the diminished importance of depletion.

Net income per share was \$2.37, an increase of 19 cents, based on an average of 4,429,426 common shares outstanding. This average number of shares assumes conversion of the small number of Series A preference shares still outstanding. If all preference shares were converted and all options exercised, 1969 earnings would have been \$2.28 per share. This calculation does not fully consider the Company's long-standing policy of buying shares in the market to the extent feasible for conversions and the exercise of options. Therefore, although the total potential dilution is only 3.8%, in fact it should be even less.

The fourth quarter of fiscal 1969 is the 20th consecutive quarter of increases in earnings

## Shareholders' Equity

MILLIONS OF DOLLARS



per share over the same quarter in the previous year. (On an annual basis EPI has now recorded eight consecutive years of increases.)

Comparative quarterly results for the last two years are:

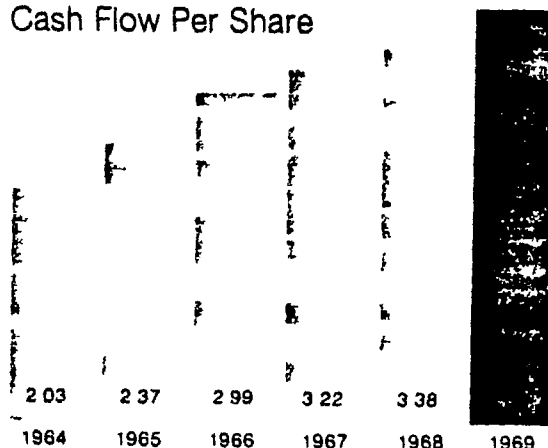
Fiscal quarters	First	Second	Third	Fourth
1969	53¢	69¢	50¢	65¢
1968	48	63	46	61

## Financial Condition

Cash flow (as determined in the Source and Application of Funds statement on page 9) rose to \$16,606,387 or \$3.64 per share, an increase of \$1.2 million or 26 cents per share. Depreciation provided \$5.6 million in 1969 and \$5.1 million in 1968.

Internal capital expenditures were \$9.3 million compared with \$8.0 million the year before, in both years well in excess of depreciation.

## Cash Flow Per Share



At the end of 1969, Eagle-Picher acquired Ross Pattern & Foundry Inc. of Sidney, Ohio, by an exchange of common shares. This transaction is reflected on the November 30, 1969, balance sheet, but operating results will not be consolidated until the first quarter of 1970. The contribution will be small initially, but with good potential for growth. The new Division's operations are described later in this Report.

Both cash and working capital increased during 1969. At year end, cash and marketable securities were \$15,085,113, up \$1.7 million, and working capital was \$55,161,873, a gain of \$2.4 million.

Shareholders' equity at year end was a record \$82,969,288, of which common equity was \$71,745,625, or \$16.06 per share (based on 4,467,969 shares outstanding, which assumes conversion of the Series A preference issue).

# Consolidated Statement of Income

YEARS ENDED NOVEMBER 30 1969 AND 1968

	1969	1968
NET SALES		<u>\$200 220 147</u>
COSTS AND EXPENSES		
Manufacturing		160 471 079
Selling and administrative		16 192 776
Depreciation		5 087 456
Interest		<u>864 881</u>
		182 616 192
Other income		<u>239 009</u>
		<u>182 377 183</u>
INCOME BEFORE TAXES		17 842 964
Taxes on income		<u>7 800 000</u>
NET INCOME		<u>\$ 10 042 964</u>
NET INCOME PER SHARE		\$2 18

## Consolidated Statement of Retained Earnings

Balance November 30 1968  
Net income

DIVIDENDS  
Preference shares  
Common shares

Balance November 30 1969

Balance November 30 1968	\$42,002,119
Net income	10,042,964
	<u>52,045,083</u>
DIVIDENDS	
Preference shares	517,000
Common shares	<u>3,490,513</u>
	<u>4,007,513</u>
Balance November 30 1969	<u>\$59,543,967</u>

See notes to financial statements

# Eagle-Picher Industries, Inc

CONSOLIDATED BALANCE SHEET  
NOVEMBER 30 1969 AND 1968

## ASSETS

### CURRENT ASSETS

Cash and marketable securities

Receivables less allowances

Inventories

Prepaid expenses

Total current assets

### INVESTMENTS AND ADVANCES

PROPERTY PLANT AND EQUIPMENT at cost

Less accumulated depreciation

### OTHER ASSETS

Deferred charges

Patents less amortization

Cost in excess of net assets acquired

1969

1968

	15,066,113	\$ 13,426,427
	27,737,865	27,097,430
	44,855,937	35,538,419
	995,621	958,959
	<u>1,174,538</u>	<u>77,021,235</u>
	1,266,227	1,626,044
	115,204,063	115,161,265
	<u>67,257,145</u>	<u>62,372,313</u>
	<u>55,946,908</u>	<u>52,788,952</u>
	1,377,350	1,620,314
	1,745,473	1,898,573
	<u>1,570,000</u>	<u>1,396,000</u>
	<u>4,155,823</u>	<u>4,914,887</u>
	<u>15,670,375</u>	<u>\$136,351,118</u>



# LIABILITIES

	1969	1968
CURRENT LIABILITIES		
Accounts payable	\$ 20,336,541	\$ 13,301,410
Accrued liabilities	8,668,755	8,090,694
Federal taxes on income	2,007,370	1,819,344
Long term debt—current portion	1,000,000	1,000,000
Total current liabilities	32,012,666	24,211,448
LONG TERM DEBT less current portion	28,000,000	30,000,000
EMPLOYEE BENEFITS AND SELF INSURANCE	2,558,943	3,503,684
DEFERRED FEDERAL TAXES ON INCOME	3,382,600	2,473,000
SHAREHOLDERS EQUITY		
Preference shares	3,182,439	12,836,439
Common shares	11,039,200	10,932,500
Capital surplus	472,504	546,430
Retained earnings	59,583,967	52,609,119
	83,210,994	76,924,488
Less cost of treasury shares	241,706	761,502
Total shareholders equity	82,969,288	76,162,986
	\$100,033,437	\$136,351,118

See notes to financial statements

# Notes to Consolidated Financial Statements

**BASIS OF CONSOLIDATION** Consolidated financial statements include the accounts of the Company and its domestic subsidiaries. Investments in foreign subsidiaries are recorded at cost which approximates equity in their net assets.

In November 1969 the Company acquired Ross Pattern & Foundry Inc. in exchange for common shares. The consolidated statement of income for the year ended November 30, 1969 does not include the operations of Ross.

**INVENTORIES** Valuations are based on the lower of cost or market with the exception of certain quantities of lead and zinc valued under the base stock method at fixed prices which are lower than cost or market.

**PROPERTY, PLANT AND EQUIPMENT** As of November 30, 1969, property, plant and equipment is summarized as follows: land \$7,544,820; buildings \$27,009,270; machinery and equipment \$81,074,474; construction in progress \$2,575,489.

Depreciation is computed principally on the straight line method.

**LONG TERM DEBT** Includes \$5,000,000 of 3 3/4% notes payable \$1,000,000 annually to maturity in 1974 and \$25,000,000 of 5 1/2% notes due in varying annual installments from 1975 through 1988. The notes contain provisions which restrict, among other things, the amount which may be declared as cash dividends on common shares. Approximately \$23,200,000 of retained earnings at November 30, 1969, as well as future earnings, are free of such restrictions.

**DEFERRED FEDERAL TAXES ON INCOME** Deferred taxes result primarily from provisions for accelerated depreciation and self insurance. Taxes on income for 1969 include \$9,190,400 payable on the current year's taxable income and \$909,600 of deferred taxes.

**PREFERENCE SHARES** There were 1,238,792 and 549,662 cumulative serial preference shares of \$33 stated value and no par value authorized at November 30, 1969 and 1968 respectively. Shareholders approved an increase to 1,250,000 shares in March 1969. At November 30, 1969 and 1968 respectively there were outstanding 27,020 and 46,902 shares of \$1.40 Series A, 136,362 and 136,362 shares of \$1.35 Series B

and 203,749 and 205,719 shares of \$1.40 Series C. Series A shares are convertible into 2.2 common shares each and are callable by the Company at \$36 per share. Series B shares are convertible into 1 1/3 common shares each and are not callable prior to 1972. Series C shares are convertible into 8282 common shares each and are not callable prior to 1973.

**COMMON SHARES** There were 7,500,000 and 6,000,000 common shares of \$2.50 par value authorized at November 30, 1969 and 1968 respectively. Shareholders approved the increase in March 1969. At November 30, 1969 and 1968 respectively there were 4,408,525 and 4,348,981 shares outstanding, excluding 7,155 and 24,019 shares held in the treasury at those dates.

Net income per share is computed on the average number of common shares outstanding assuming conversion of Series A preference shares. For 1969 and 1968 respectively these averages were 4,429,426 and 4,513,757 shares.

**CAPITAL SURPLUS** In 1969 capital surplus increased \$533,500 as a result of the issuance of common shares for conversion of preference shares and was reduced \$607,426 by the issuance of common treasury shares in connection with stock options and the employees' stock purchase plan.

**STOCK OPTIONS** Under a stock option plan approved by the shareholders there were options outstanding at November 30, 1969 to purchase 107,900 common shares at prices ranging from \$11 to \$32 per share, of which 45,600 shares can presently be exercised with the remainder becoming exercisable at various dates to 1974. Options for an additional 40,300 shares may be granted in the future.

**RETIREMENT PLANS** Retirement plans covering eligible hourly and salaried employees are generally of the funded type. The total pension expense for the year was \$1,600,000, which includes as to certain of the plans, amortization of prior service costs over periods up to 40 years.

# Source and Application of Funds

YEAR ENDED NOVEMBER 30 1969  
(Thousands of dollars)

## Accountants' Report

To The Board of Directors  
Eagle Picher Industries Inc

We have examined the consolidated balance sheet of Eagle-Picher Industries Inc as of November 30 1969 and the related statements of income retained earnings and source and application of funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. In our opinion the accompanying consolidated balance sheet and consolidated statements of income and retained earnings present fairly the financial position of Eagle Picher Industries Inc at November 30 1969 and the results of its operations for the year then ended in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Also in our opinion the accompanying statement of source and application of funds presents fairly the information shown therein.

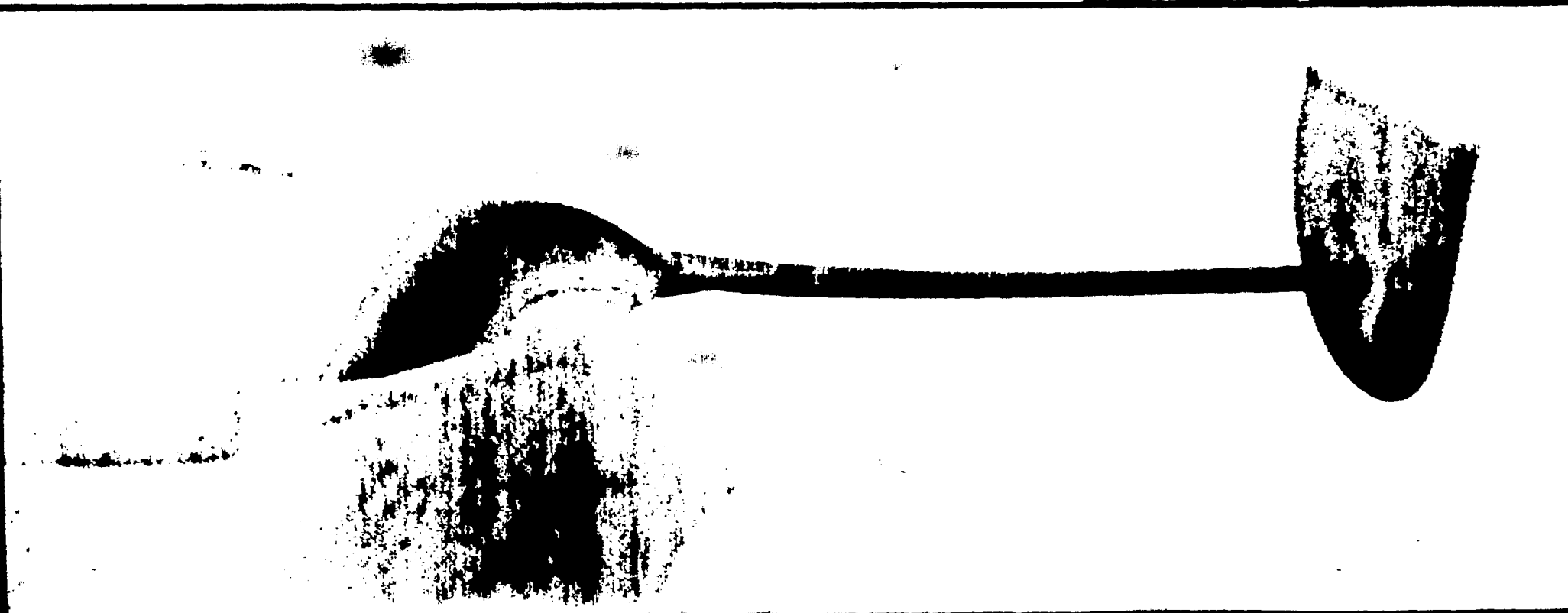
PEAT MARWICK MITCHELL & CO  
Certified Public Accountants  
Cincinnati Ohio  
January 20 1970

## SOURCE

Net income	\$10 977
Depreciation	5 554
Increase in non current reserves	<u>75</u>
Cash flow	16 606
Other	<u>274</u>
	<u>\$16,880</u>

## APPLICATION

Dividends	\$ 4 000
Capital expenditures	6 525
Increase in working capital	2 350
Term loan repayment	<u>1 000</u>
	<u>16,880</u>



# Summary of Operations

In the preceding pages we have used such words as *manufacturing industrial markets and technical specialties* in describing the nature of Eagle Picher. To understand the Company's management philosophy it is helpful to illustrate how it relates to the specific activities of our Divisions. Therefore the following is a brief review of the Divisions—their products, their markets and some comments on recent developments.

Eagle Picher's fifteen operating Divisions are organized into six Product Groups.

## CHEMICALS & MINERALS GROUP

These products are inorganic materials. They account for about 18% of total corporate sales. The two component Divisions both have developed internally within Eagle Picher.

**CHEMICALS AND METALS** Cincinnati, Ohio  
Principal products and markets—

Agricultural micronutrients: zinc sulphate, manganese sulphate, zinc ammonium sulphate and mineral mixes for the fertilizer industry.

Copper concentrates.

Zinc and lead products and by products: zinc chemicals and pigments, lead chemicals and pigments, zinc, cadmium and sulphuric acid used by producers of paints, ceramics, rubber, plastics, petroleum, fertilizer, chemicals, electrical products and metal protective coatings.

This Division has in recent years expanded its operations from its traditional base of zinc and lead products to the manufacture of agricultural micronutrients and to mining and concentrating copper ores.

The first agricultural micronutrient developed by Chemicals and Metals was zinc sulphate, which was introduced to the fertilizer market in 1963 to improve the yields of corn and other crops which were known to deplete the natural zinc content of soils in which they are grown. Since then the product line has been broadened with the addition of several other mineral compounds.

The Division's copper deposit is located in the western part of Oklahoma. It is the only significant economic occurrence of copper in shale in North America and required the development of new recovery techniques. Concentrates are sold to the copper smelting industry.

**FIBERS AND MINERALS** Cincinnati, Ohio  
Principal products and markets—

Celatom: diatomaceous earth products, filter aids for antibiotics, brewing, sugar, alginates and edible oils and fats, mineral fillers for paper, paint, polishes and insulations, Floor Dry oil and water absorbent for plant maintenance, powders for anti-caking of fertilizers, catalyst carriers and insecticides.

Mineral fiber products: high temperature insulations, Superglas, high temperature fibers, gaskets and other molded fiber parts.

Recently Fibers and Minerals substantially expanded its production facilities at Colorado, Nevada for the manufacture of diatomaceous earth filter aids and mineral fillers. Diatomaceous earth deposits are the fossilized remains of marine plant life which flourished millions of years ago. The filter aid grades are white, odorless, tasteless and insoluble and therefore ideally suited for processing foods, beverages and other products with critical purity requirements. The Division first entered the filter aid market in 1958 when the original plant at Colorado was constructed.

## ELECTRONIC AND PRECISION PRODUCTS GROUP

The products of the three Divisions in this Group are generally characterized by a high degree of precision, purity and complexity. They account for about 14% of total sales.

**ELECTRONICS** Joplin, Missouri

Principal products and markets—

Electronic components, equipment and systems, precision metal parts, printed circuit boards, electrical assemblies, battery chargers, lighting systems, bimetal foils, evaporated metal coatings, special instrumentation, radio call boxes and base receiving stations for aerospace, military, electronic, railroad, traffic signal and police and fire protection applications.

Ultra high purity metals and compounds: germanium, gallium, boron and other mineral compounds for electronic, optical and nuclear energy uses.

Specialized batteries: silver-zinc, nickel-cadmium, silver-cadmium, thermal water-activated, magnesium perchlorate and zinc-air batteries for aerospace, military and commercial markets.

Electronics was created as a separate Division five years ago, having developed internally within the Chemicals and Metals Division.

In its principal field of activity—the development and manufacture of specialized batteries—Electronics has continued its position of leadership which was established early in the

1950's In 1969 the Division supplied 23 of the 24 batteries carried on the Apollo Moon shots. The Division has also expanded its activities in the development and production of zinc air batteries which may provide attractive long term possibilities for government and commercial applications.

An interesting recent development is the use of germanium in optical glass particularly for infra red lenses. This application has expanded the use of the metal beyond its important semi-conductor market.

#### MARKEY BRONZE CORPORATION Lima Ohio

Principal products and markets—

Bronze and brass components sleeve bearings bushings custom fittings and bar stock for aircraft construction equipment electrical equipment outboard motors machine tools and numerous other industries.

Markey Bronze became a Division of Eagle-Picher in 1967. In an industry characterized by small specialized manufacturers Markey is one of the leading producers and provides the versatility of a complete line of production techniques coupled with extensive automatic machining facilities. The Division operates plants at three locations in Ohio and two in California.

#### ROSS PATTERN & FOUNDRY INC Sidney Ohio

Principal products and markets—

Aluminum components custom made sand castings for transportation aeronautical and aerospace electrical and electronic marine hydraulic and pneumatic agricultural recreation military and other applications.

Ross added as a Division at the end of 1969 is a recognized leader in its specialized field of

supplying premium quality aluminum castings in highly complex shapes to close tolerances. Examples of the Division's reputation for product reliability are the parts manufactured for the six cryogenic liquid hydrogen pumps used on each Apollo Moon shot.

#### FABRICATED METAL PRODUCTS GROUP

The two Divisions in this Group are specialized steel fabricators. They contribute about 20% of total sales.

#### DAVIS WIRE CORPORATION Los Angeles California

Principal products and markets—

Steel wire and wire products annealed galvanized low carbon and spring wire for manufacturing and general industrial uses cold drawn wire hot rolled rods placers tie wire and welded wire fabric for concrete reinforcing chain link fence fabric stucco netting tie wire stripping and other wire products for the building industry automatic baler wire single loop bale ties florist wire tag wire fabric netting and other merchant wire products.

Acquired by Eagle Picher in 1964 Davis Wire has since built plants at Hayward California and Kent Washington and has acquired operations in Canada at Vancouver British Columbia and Edmonton Alberta.

A major development has been the Division's expansion of its capabilities to produce welded wire fabric which has been gaining acceptance in the United States for reinforcing concrete construction. Davis Wire offers the West Coast construction industry the broadest line of welded wire products manufactured in that area.

#### UNION STEEL PRODUCTS COMPANY Albion Michigan



Principal products and markets—

Sheet metal products console cabinetry for computers fire hose reels hose washers and dryers

Welded wire products shelving and baskets for refrigerators adjustable store shelving  
Palenaer materials handling equipment and racks cabinets and bins for food service applications

Union Steel merged with Eagle-Picher in 1968. The major development in recent years has been the Division's expansion into computer cabinets with an entire new plant now devoted to this product line. The basic business continues to be in steel wire products where Union Steel is recognized as a leading supplier of appliance parts and materials handling equipment.

MACHINERY EQUIPMENT & BUILDINGS GROUP

These products are the capital goods produced by Eagle Picher. They represent approximately 16% of corporate sales and are supplied by three Divisions.

AKRON STANDARD Akron Ohio

Principal products and markets—

Tire rubber and plastic processing machinery and equipment tire building drums tire tube bladder mechanical and plastic molds batchoff machines tire building machines stitchers slitters guillotine cutters band building machines mill blenders and feeders and bias cutters

Tire testing equipment for tire manufacturers and automobile manufacturers

Akron Standard which became a Division in 1964 is a leading supplier of machinery and equipment to the tire and rubber industry.

There have been several important developments during the last five years. The Division's machinery line has been broadened and expanded resulting in a new and separate plant facility in Akron. Some of this expansion is in tire testing equipment which has been in great demand with the increased emphasis on automobile safety. Akron Standard also entered the European Common Market with new plant operations in Cham and Hamburg West Germany.

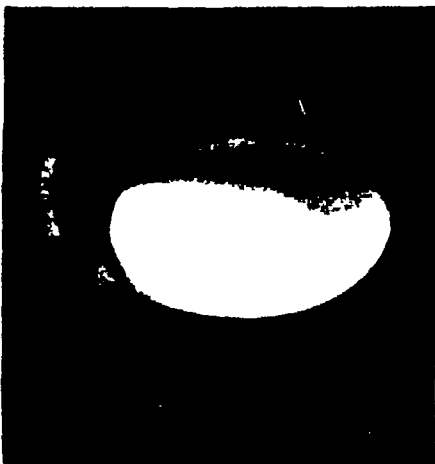
Both the bias belted tire introduced during the past year and the radial tire market which Akron Standard is already serving in Europe and which is expected to grow in this country are creating new demands and opportunities for the products and capabilities of this Division.

CINCINNATI CLEANING & FINISHING  
MACHINERY COMPANY Cincinnati Ohio

Principal products and markets—

Metal cleaning and finishing machinery washing machines to clean parts during manufacture specialized processing equipment paint applying equipment and complete paint finishing systems for a broad variety of manufacturing industries.

This Division acquired in 1968 is a leader in specialized areas of the metal cleaning and finishing field—a position which is strengthened by a continuing emphasis on innovation product development and patent protection. A recent example is Cincinnati Cleaning's successful entry into the market for preparing aluminum cans used by the beverage industry. Specifications for this type of equipment were to process up to 2000 cans per minute and conventional equipment for steel cans could not be used on this more delicate metal.



## LUSTERLITE CORPORATION Hinsdale Illinois

### Principal products and markets—

Pre engineered porcelain enameled steel buildings and structural steel components principally for service stations of major oil companies and other commercial buildings

*Enameled panels for curtain wall construction*

Lusterlite became a separate Division in 1966 having developed internally within the Chicago Vitreous Division. Production facilities are located at Paris Illinois where the structural steel plant was built in 1961 and the enameling plant was constructed in 1967. This Division is one of the nation's major suppliers of pre-engineered service stations.

## PLASTICS & COATINGS PRODUCT GROUP

The two Divisions in this Group are in a variety of industrial products activities. They contribute 13% of total sales.

## CHICAGO VITREOUS CORPORATION Cicero Illinois

### Principal products and markets—

Porcelain enamel frits for vitreous coatings on home appliances (such as stoves, washers, dryers, etc.) plumbing ware, water heaters, signs and architectural panels.

*Welding fluxes*

Chicago Vitreous, a Division since 1956, is oriented toward research and product development. An example is the development of a catalytic frit for use in household ovens. This new product provides an effective means of making an oven truly self-cleaning and is gaining enthusiastic acceptance among oven and range manufacturers.

## FABRICON PRODUCTS River Rouge Michigan

### Principal products and markets—

Board and fiber products, interior trim, foundation panels, deadener felt, dash insulators and other automotive products.

Compression and injection molded plastic parts, heating, air conditioning and defroster cases and ducts, automotive interior and exterior trim, foundations, humidifier cases and components, speaker housings, electrical switch and relay covers.

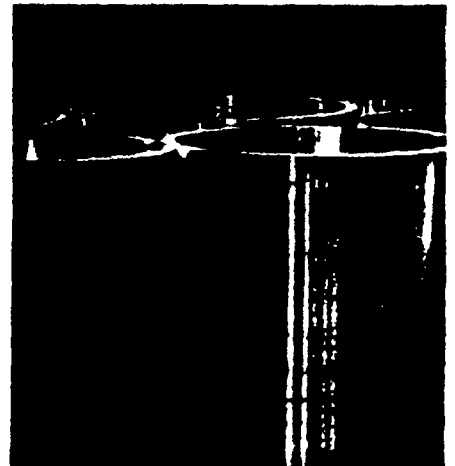
Flexible packaging materials, printed polyethylene, cellophane and polypropylene films, printed coated papers and laminations and roll stock and bags for candy, gum, ice cream, frozen food, pharmaceuticals, textiles and paper products.

Resin impregnated papers and fabrics for decorative laminates, melamine dinnerware, filtration equipment, safety helmets, fishing rods, bearings, gears, aircraft and aerospace parts and communications loudspeakers.

Fabricon Products has been an Eagle-Picher Division since 1954. In 1969 the Division began the manufacture of polyester plastic compression molded parts for exterior applications on automobile bodies—a large new market for these products. Molded plastic parts are produced at Grabill, Indiana, where there have been two expansions since the plant was built in 1964.

## RUBBER & ALLIED PRODUCTS GROUP

Rubber and allied products account for about 19% of our sales. They are supplied by three Divisions.





**THE OHIO RUBBER COMPANY Willoughby Ohio**

**Principal products and markets—**

Molded extruded and mechanical rubber goods bonded rubber to metal parts automotive floor coverings suspension and vibration control devices seals irregularly shaped rubber tubes low pressure air hose and other engineered parts for the automotive appliance and numerous other industries Air King and Soil King semi pneumatic tires for lawn mowers agricultural implements and light industrial equipment

Orthane polyurethane products custom engineered molded mountings couplings seals and bushings

A Division of Eagle Picher since 1952 Ohio Rubber in recent years has been extending its capabilities into fields which complement its established position in mechanical rubber goods An example is the Division's Orthane line of injection molded polyurethane products which combine the resilience of rubber with the hardness of plastics For specific applications Orthane is superior to both of these materials

One of the interesting aspects of Ohio Rubber is its unique continuous molding operation located at Stratford Connecticut for the manufacture of small static and dynamic seals This patented process is capable of production rates on a particular item of 400 000 parts per day and molded to close tolerances

**THE PREMIER RUBBER MANUFACTURING COMPANY Dayton Ohio**

**Principal products and markets—**

Mechanical rubber goods molded lathe cut die cut and bonded rubber to metal products

for custom applications in the automotive office equipment appliance aviation and other fields

Premier Rubber acquired in 1965 is one of the few manufacturers of rubber blades for windshield wipers Premier also fabricates precision molded valves from the more exotic elastomeric materials namely epichloro hydrin and fluoro elastomers These valves used for automotive air pollution control are capable of withstanding the extremely high temperatures generated by hydrocarbon fuels The Division specializes in the fabrication of precision parts for numerous industries with close tolerance requirements

**WOLVERINE FABRICATING & MANUFACTURING CO Inkster Michigan**

**Principal products and markets—**

Custom gaskets rubber coated steel aluminum and vulcanized fiber cork rubber combinations latex papers fiberboard specialties carburetor insulating laminates and gasketed diaphragm assemblies primarily for the automotive air conditioning and refrigeration industries

Wolverine a Division since 1967 is a leading producer of specialized gaskets One of the Division's exclusive manufacturing processes involves continuously coating steel or aluminum with an elastomeric rubber coating to produce high quality gaskets unusually resistant to water oil aromatics and refrigerants Recent developments include new types of gaskets for smog control devices now being tested



## Summary of operating results

(THOUSANDS OF DOLLARS)

Years Ended November 30	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960
Net sales	\$226 945	\$200 220	\$179 420	\$170 914	\$164 158	\$130 674	\$116 184	\$116 006	\$109 895	\$120 835
Depreciation	5 554	5 087	4 832	4 467	4 001	3 272	2 878	2 825	2 784	2 783
Income before taxes	21 077	17 843	14 710	12 358	9 678	7 611	6 691	6 744	4 833	7 967
Net income	10 977	10 043	8 610	7 358	5 778	4 311	3 576	3 444	2 683	3 867
Net income per share	2 37	2 18	1 93	1 76	1 33	1 05	88	85	65	94
Dividend per share	80	775	70	675	60	60	60	60	60	60

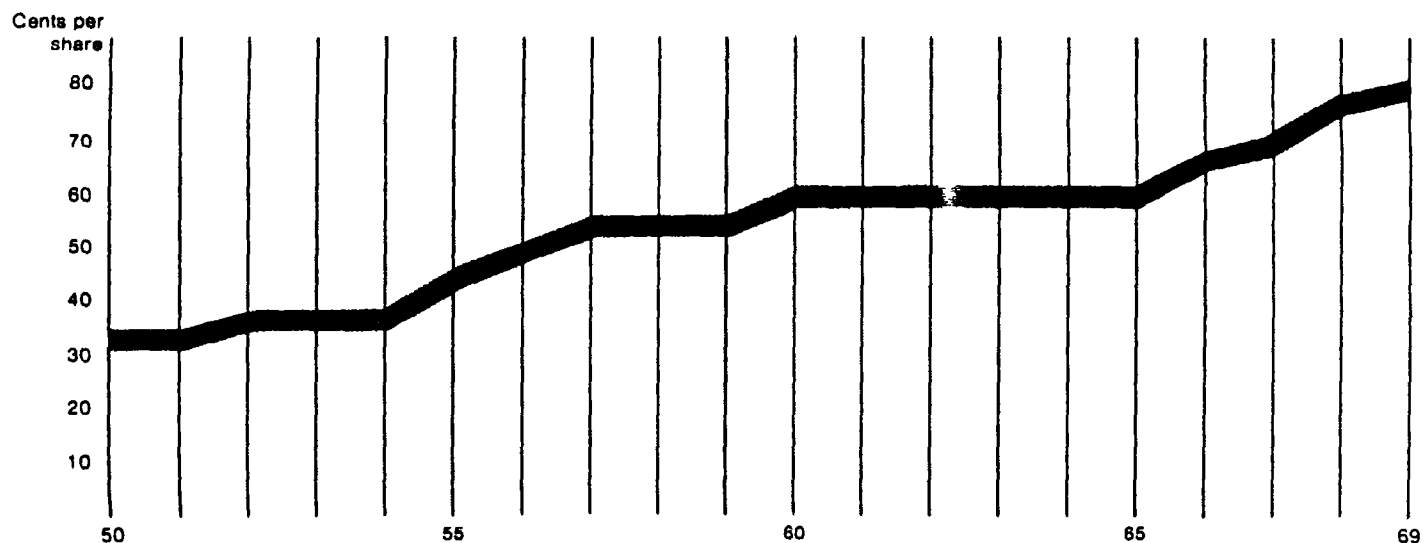
## Summary of financial condition

(THOUSANDS OF DOLLARS)

November 30	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960
Cash and marketable securities	\$15 085	\$13 426	\$16 719	\$16 674	\$13 237	\$13 292	\$ 8 038	\$ 5 479	\$ 6 588	\$ 8 574
Working capital	55 162	52 810	43 629	40 748	36 488	37 378	32 030	29 730	27 926	29 632
Property, plant and equipment net	56 947	52 789	45 637	40 752	37 940	35 778	24 587	25 461	26 569	25 192
Long term debt	29 000	30 000	21 000	22 000	17 500	18 500	10 000	11 000	12 000	13 000
Shareholders equity	82 989	76 163	67 622	59 860	57 732	55 771	46 808	45 871	45 687	45 082
Common equity per share	16 06	14 57	13 52	13 08	12 13	11 98	11 58	11 31	11 07	11 02

NOTES: All per share data adjusted for two for one splits of common shares in 1960 and 1968 and data for 1968 and 1969 assumes full conversion of Series A preference shares.  
Net income in 1960 excludes non-recurring profit of \$900 000 or 22 cents per share.

Eagle Picher Industries Common Dividend  
Record for the Past 20 Years



Note: Adjusted for stock splits and stock dividend

# Eagle-Picher Industries, Inc

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SANFORD M BROOKS  
President The Tool Steel Gear  
& Pinion Company

PAUL W CHRISTENSEN JR  
President The Cincinnati Gear Company

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The Wm Powell Company

ALBERT E HEEKIN JR  
Chairman of the Board  
The Heekin Can Company

JOHN C HEISLER  
Vice President and Treasurer

WICKLIFFE JONES  
President R A Jones & Co Inc

DANIEL W LEBLOND  
President LeBlond Incorporated

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Partner Goldman Sachs & Co

ARTHUR W SCHUBERT  
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RICHARD SERVISS  
Secretary and General Counsel

T SPENCER SHORE  
Chairman of the Executive Committee

WILLIAM H ZIMMER  
President The Cincinnati Gas and  
Electric Company

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Group Vice President

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Group Vice President

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Comptroller

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Assistant Secretary

JOHN E POWERS  
Assistant Comptroller

CORBIN E SHOUSE  
Assistant Secretary

WALTER A SUHRE JR  
Assistant Secretary

TRANSFER AGENTS Morgan Guaranty Trust Company of New York  
The Central Trust Company Cincinnati

REGISTRARS The Chase Manhattan Bank New York  
The Fifth Third Bank Cincinnati

